IT Initiative Supplement

February 25, 2010

I. Project Description

Project Title: Personal Information Protection
Brief Description of the Project Title: Define business policy and procedure and identify potential system changes necessary to comply with HB155 and protect stakeholder personal information.
Statewide Priority: N/A
Agency Priority: High
Estimated Completion Date: FY2011
IT Project Biennium: N/A
Request Number: N/A
Version: N/A

Agency Number: N/A
Agency Name: Montana State Fund
Program Number: N/A
Program Name: N/A

A. **Type of Project (check all that apply)**
      Enhancement   x
      Replacement
      New
      O&M

B. **Type of System (check all that apply)**
      Mid-Tier   x
      Mainframe
      GIS
      Web
      Network
      Desktop

II. Narrative

C. **Executive Summary:**
The enactment of House Bill 155 in 2009 requires state agencies to protect certain personal information. The bill requires agencies to identify (classify) personal data, develop procedures to protect the data, and provide a notification process for both agencies and third parties regarding a breach of personal information. This project is important to MSF not only because of the statutory requirements of House Bill 155, but because MSF must strive toprotect the

personal information of our policy holders, claimants, and business partners. These items fit into MSF's overall security policy framework and assist in other strategic security goals.

Project Purpose and Objectives:
Protection of personal data and procedure for notifying individuals if the data is compromised.

Technical Implementation Approach:
1. Data classification and identification of all personal data (as defined in the bill) within MSF IT systems, reports, documents, and printed material.
2. Policies and Procedures defined for protecting personal data.
3. Development of additional third party contract terms for future contracts and amendments.
4. Identification and remediation of compliance issues within MSF Systems.
5. Data encryption procedures for data that leaves the company (many of which we already have enforced).
6. Notification process for communication in the event of a breach of security.
7. Development of Incidence Response Training Materials.

Project Schedule and Milestones:
1. Identification and classification of personal data as defined in HB 155:   8 weeks
2. Data labeling and material handling policy and procedures for protecting personal data: 4 weeks
3. Develop third party contract terms: 8 weeks
4. Application analysis to identify compliance issues: 4 weeks
5. Remediation plan for each application as needed: 2 weeks
6. Data encryption policies for data that leaves the facility (if not already in place): 4 weeks
7. Notification process and framework for communication and event management: 8 weeks
8. Incident response training: 4 weeks

D. Business and IT Problems Addressed
Develop business process for protecting SSN and process for notification if information breach occurs. IT system changes identified for implementation through MSF's defined change process.

E. Alternative(s)
Alternatives Considered: None
Rationale for Selection of Particular Alternative: Most efficient and effective means to protect the personal information of MSF stakeholders.

III. Costs

G. Estimated Cost of Project:

1. **Personnel Services – IT Staff:** $40,500
2. **Personnel Services – Non IT Staff:** $34,500
3. **Contracted Services:** $0
4. **ITSD Services:** $0
5. **Hardware:** $0

6. **Software:** $0
7. **Telecommunications:** $0
8. **Maintenance:** $0
9. **Project Management:** $0
10. **IV&V:** $0
11. **Contingency:** $0
12. **Training:** $0
13. **Other:** $0

Total Estimated Costs: $75,000
Total Funding: $75,000

IV. Funding

H. Funding

1. **Fund:** MSF approved budget
2. **Amount:** $75,000
3. **Total Costs:** $75,000

Cash/Bonded: N/A
Bill Number: N/A

V. Cost upon Completion

Operating Costs upon Completion

FTE: $0
Personal Services Costs: $0
Operating Costs: $0
Maintenance Expenses: $0
Total Estimated Costs: $0

Funding Recap

Fund Type: MSF approved budget
Amount: $75,000
Total Funding: $75,000

V. Risk Assessment

A. Current IT Infrastructure Risks

1. Policy application 10+ years old?	Yes
Date of last major upgrade?	2002

2. Policy application is based on old technology?   User Interface older technology

   If yes, what is the current hardware platform, operating system, and programming languages used to support the application?   Powerbuilder

3. Claim application based on old technology?   No

4. Is the agency not capable of maintaining the current application with internal technical staff?
          No
   If yes, who supports the application today?

4. Other IT infrastructure risks?   No
   If yes, provide further detail.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted?   None

2. Does the current application meet current business requirements?   Yes
   If "no", what specific business functions does the application lack?

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Table H   Risk Assessment

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy
None				